



# Baxter Healthcare Pty Ltd

## Gender Pay Gap Employer Statement

*This formal document outlines Baxter Healthcare's actions and opportunities to address the national gender pay gap and provides clear objectives to aim towards.*

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### WHAT IS A GENDER PAY GAP EMPLOYER STATEMENT?

From early 2024, the Workplace Gender Equality Agency (WGEA) requires private sector employers to publish gender pay gaps. The gender pay gap is a universally recognised metric of workplace gender equality. The metric is broad and while highly contextual, it helps employers to analyse, share the context of their gender pay gap, and provide their plan of action to address the gap.

*The gender pay gap is the difference in average earnings between women and men in the workforce. It is not the same as women and men being paid the same for the same job. This measure is useful for tracking gender equality across a nation, industry or within an organisation. Closing the gender pay gap is important for Australia's economic future and reflects our aspiration to be an equal and fair society for all (WGEA).*

Baxter Healthcare welcomes this new reporting requirement as it will provide greater transparency of employer gender pay gaps and provide a catalyst for action and continued focus on how we can continue to take meaningful steps to narrow the gender pay.

### OUR COMMITMENT TO ACHIEVING GENDER EQUALITY

Diversity, equity, and inclusion are key priorities for Baxter and this statement reflects our work and progress in these important areas in recent years. Specifically, the gender pay gap is an important inclusion metric to help focus our efforts.

We are sharing the following data to set a benchmark to which we will hold ourselves accountable and track our future progress.

Baxter Healthcare does not pay people differently based on their gender and the gap is not a measure of the average wage of men and women in the same roles. However, within Baxter, our analysis shows a number of reasons for the pay gap which are discussed below.

While the percentage of men and women in the Upper, Middle and Lower-Middle Quartiles are equally represented (49- 51%) The percentage of women in the Lower Quartile salary band is notably higher at 68%, representing women in entry level operational roles, for example in Pharmacy Compounding positions.

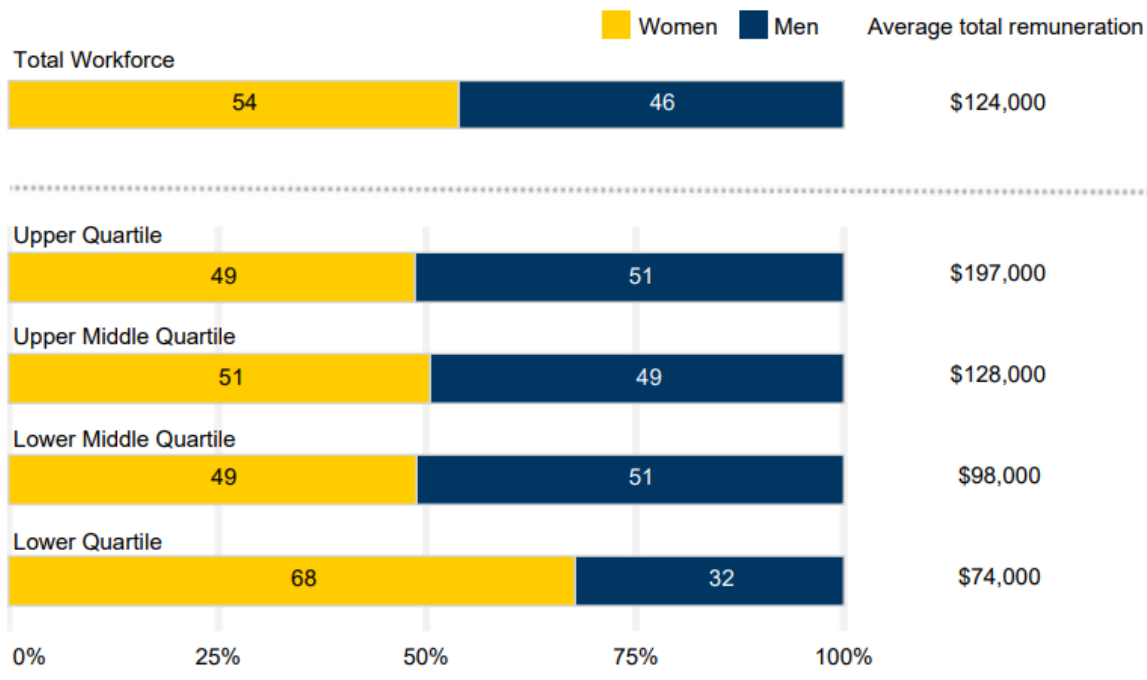
From a career development perspective, Baxter has increased the representation of women at senior levels across our organisation. From 2020 to 2023 we have increased the percentage of female Managers from 39% to 41%. Baxter has also focused on increasing the

number of women in Key Management Personnel roles (KMP) in recent years. This will see a marked increase in the 33%

representation of women in KMP roles beyond 2023.

### Gender Composition by Pay Quartile

The chart below divides the total remuneration full-time equivalent pay of all employees into four equal quartiles. A disproportionate concentration of men in the upper quartile and/or of women in the lower quartiles can drive a positive gender pay gap.



Baxter Healthcare is committed to narrowing the gap by putting strategies in place aimed at balancing the representation of men and women across all levels of our organisation, which in turn will help us to achieve our broader targets associated with our Diversity, Equity and Inclusion (DE&I) program in Australia and New Zealand.

Pay data helps us to understand the reasons why we have a gender pay gap and provides a snapshot of the areas where we can improve. It also shows the gender balance within our organisation and shows us the difference between the average earnings of all male and female employees, regardless of their role or seniority.

At Baxter, we encourage, value, and leverage the diversity of our people, perspectives, experiences, and lifestyles to achieve maximum business performance. In 2021, Baxter Australia and New Zealand launched our DE&I program

as one of our business' Wildly Important Goals. Since then, we have laid the foundations to create an established DE&I Council and several strategic campaigns, initiatives, and resources to promote diversity, equity and inclusion throughout our business. The Alliance for Baxter Women employee-led Resource Group is a shining example of how our DE&I program is creating opportunities to further develop the careers of Baxter female employees.

DE&I is firmly aligned with our business strategy by helping us to attract top talent and improve our decision-making. At the end of 2023 we were recognised as an Inclusive Employer by the Diversity Council of Australia (DCA).

### RELEVANT CONTEXTS AND INFLUENCES ON BAXTER'S GENDER PAY GAP

The gender pay gap at Baxter Healthcare shows that men are paid on average 9.9% higher than women and the median pay is 8.8% higher (see image below). While we have made steady progress since 2020 in closing the gap between men and women’s median base salary, we still have work to do to further close the gap between the total remuneration between men and women.

We understand that these differences are partly due to the disproportionate number of men in the highest earning and KMP group where there are higher bonus and other components to salaries. At the same time there is a disproportionately higher number of women in the Lower Remuneration Quartile (see image 1 above). Our data also shows men are working 30% more overtime than women, which also contributes to the higher overall median take home pay.

### Your gender pay gap over time

All employees	2020-21	2021-22	2022-23
Average (mean) total remuneration	8.8%	9.8%	9.9%
Median total remuneration	3.5%	9.8%	8.8%
Average (mean) base salary	3.5%	3.9%	5.8%
Median base salary	-3.4%	-2.4%	2.3%

- Note: Shaded numbers represent the GPGs that will be published in early 2024.
- Part-time/casuals/part-year employees are annualised to full-time equivalent.
- The 2022-23 gender pay gap calculation does not include voluntary salary data submitted for CEO, Head of Business(es), Overseas managers and casual managers. It also excludes employees who did not receive any payment during the reporting period.
- Employees identified as non-binary are not included while the Agency establishes the baseline level for this new information.

Baxter’s gender pay gap will require different strategies to help achieve a greater balance in remuneration between men and women. With almost half of our entire business employed in pharmaceutical compounding and operations roles, we have a large number of employees who have studied Pharmacy. As of June 2022, Aphra’s Pharmacy Workforce dynamics paper indicates that participants studying Pharmacy are 63.8% female and 36.2% male. These demographics are reflected in the distribution of employees across Baxter’s national network of Compounding Pharmacies (65% female). As previously mentioned, there is also a very high number of entry level roles within Baxter’s Pharmacy operations, which helps our organisation understand our gender pay gap results.

In terms of Baxter’s talent attraction strategies our diversity goals require us to have a minimum of 50% diversity slate, with female

representation in candidates interviewed. In Australia, we can achieve this goal on a regular basis, however we need to focus not only on increasing the opportunities for women to be successful for more senior level management and Key Management Personnel roles, but also to help increase the participation of men in entry level roles where we currently have an over-representation of women.

While Baxter has implemented a Workplace Flexibility policy which encourages both men and women to work flexibly, including working part time hours, we have still seen a much higher participation of women than men in both the part-time and casual employee numbers.

### ANALYSIS AND ACTIONS

The **gender pay gap is a measure of the difference** between the average earnings of

men and women (irrespective of roles or seniority). Our mean (or average) gender pay gap is 9.9% and our median (the middle point) is 8.8%. Our gender pay gap is not a result of equal pay issues. Baxter has a gender-neutral approach to pay across all levels of the organisation. Our gender pay gap is mainly due to fewer females in senior Key Management Personnel roles and a lower proportion of men in lower paid roles. A more balanced distribution of men and women across all levels of our organisation is required to narrow and ultimately eliminate the gap. Our total remuneration gap is

also impacted by the variable pay (bonus) being higher at more senior levels where we have a higher proportion of male colleagues in senior roles.

While the underlying causes of a gender pay gap are complex, we continue to stay focused on creating an environment where the gaps are closed. We recognise that we have more to do and are committed to narrowing the gap by balancing men and women across all levels of our organisation.

## ACTIONS

Our Actions will focus on **Recruitment, Retention and Progression of women** in key areas of the business.

**Recruitment:** While continuing to focus on balanced candidate slates, particularly for the most senior roles, we will also implement plans to attempt to attract and select more men for entry level roles across our business.

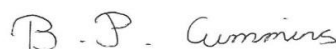
**Retention:** Our Diversity Equity & Inclusion program aims to create a more inclusive environment for all employees within our organisation. This, along with development opportunities, will assist in growing the engagement and retention of women as they progress through to more senior levels of employment. In 2023 Baxter was recognised as an Inclusive Employer by the Diversity Council of Australia (DCA) and we have developed action plans to continue to focus on Inclusion in Key areas.

**Progression:** Growing and promoting Baxter's Alliance for Baxter Women employee Resource Group and Implementing formal mentorship and sponsorship programs focusing on development opportunities for women. Baxter will also continue to review and update our internal promotion practices.

While our 2022-2023 data shows we have appointed and promoted more women than men (60% vs 40%), we have the opposite percentages for Appointments and Promotions to roles that are manager level and above. The clarity provided by this data will enable us to be more aware in our promotions and appointments at manager level and above, and where needed, we will implement training, mentoring and development of women to help them succeed in promotions or appointments into more senior roles.

	Female		Male	
	Number	Percent	Number	Percent
Appointments to manager roles (incl promotions)	27	39%	43	61%
Appointments to non-manager roles (incl promotions)	221	60%	145	40%

Signature



Name

Brendan Cummins

Position

General Manager, ANZ

Date

26 February 2024